

EXHIBIT

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Examples:

1. Under general law, a shipper is liable for damages caused by improper loading where the improper loading is not detectable by ordinary observation by the motor carrier. Without this legislation and with the common type of contractual indemnification clause referred to above, a shipper could knowingly or negligently load a trailer in such a manner that it leads to an accident, yet the motor carrier would be contractually obligated to cover the damages. Since the shipper would only be liable if the improper loading was not ordinarily observable by the carrier, there is nothing the carrier could do to transport goods more safely in the future. And since the shipper would not be out of pocket, it would have no incentive to ensure it properly loaded the trailer in the future.

2. By law, a shipper is required to notify the carrier when the cargo the shipper is offering for transportation contains hazardous materials. Without this legislation and with the common type of contractual indemnification clause referred to above, a shipper could simply fail to notify the carrier of the presence of hazardous materials, which would probably result in a lower cost for the transportation. Failure to notify the carrier that it will be hauling hazmats also means that the carrier will be unable to provide adequate information to emergency responders in the case of an accident. But, under the contract, the motor carrier would be still obligated to cover the damages resulting from the accident or a spill. Again, there would be nothing the motor carrier could do to change its own behavior to be safer in the future.

If you have any questions, please contact _____